

Message Text

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PAGE 01 PRETOR 04382 301805Z

70

ACTION AF-18

INFO OCT-01 ISO-00 EUR-25 NEA-10 INT-08 SCEM-02 EB-11

CIAE-00 DODE-00 INR-10 NSAE-00 PA-04 RSC-01 USIA-15

PRS-01 SPC-03 COME-00 NSC-10 L-03 H-03 AID-20 FRB-02

TRSE-00 XMB-07 OPIC-12 CIEP-02 LAB-06 SIL-01 OMB-01

DRC-01 /177 W

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R 301319Z NOV 73

FM AMEMBASSY PRETORIA

TO SECSTATE WASHDC 8996

INFO AMCONGEN CAPE TOWN

AMCONGEN JOHANNESBURG

AMCONGEN DURBAN

AMEMBASSY MASERU

AMEMBASSY MBABANE

AMEMBASSY GABORONE

UNCLAS PRETORIA 4382

E.O. 11652: N/A

TAGS: ENRG SF

SUBJECT: SA REACTION TO ARAB OIL BOYCOTT

SUMMARY: ARAB ANNOUNCEMENT OF OIL BOYCOTT FOR SA GIVEN WIDE FRONT-PAGE COVERAGE.GENERAL THEME,REINFORCED BY PRIME MINISTER'S STATEMENT,IS THAT ALTHOUGH THREAT IS SERIOUS,THERE NO RPT NO NEED TO PANIC.CONSENSUS IS THAT ALTHOUGH PUBLIC HAS SUPPORTED PREVIOUS FUEL CONSERVATION MEASURES,BOYCOTT MAKES RATIONING INEVITABLE.PRIME MINISTER TO AMAKE RADIO ADDRESS EARLY NEXT WEEK TO REVIEW SITUATION AND PROBABLY ANNOUNCE NEW MEASURES. EMPHASIS ALSO PLACED ON NEGATIVE IMPACT OF BOYCOTT ON BOTSWANA, LESOTHO,AND SWAZILAND.END SUMMARY.

1. RAND DAILY MAIL (NOV.29 MORNING PRESS) CARRIED BANNER HEADLINE " ARABS CUT OIL."ENSUING ARTICLE WAS BASICALLY A FACTUAL UNCLASSIFIED

UNCLASSIFIED

PAGE 02 PRETOR 04382 301805Z

REPORT ON DECISIONS REACHED AT ARAB SUMMIT. ACCOMPANYING EDITORIAL

ENTITLED "SERIOUS BUT NOT DESPERATE" EMPHASIZED THAT THERE NO RPT NO NEED TO PANIC IN VIEW OF CONTINUED IRANIAN AVAILABILITIES, ALSO OIL-FROM -COAL PRODUCTION ("ABOUT ONE-SIXTH OF OUR NEEDS") AND STOCKPILE,ALL OF WHICH "ENOUGH TO KEEP US GOING FOR THREE OR FOUR MONTHS."EDITORIAL QUESTIONED WHETHER BOYCOTT CAN BE EFFECTIVE IN VIEW OF FACT THAT ACTUAL DISTRIBUTION OF PETROLEUM IN HANDS OF INTERNATIONAL OIL COMPANIES RATHER THAN ARAB STATES THEMSELVES. NEVERTHELESS,RDM URGED THAT THREAT BE TAKEN SERIOUSLY AND COUNTER-STRATEGY BE DEVELOPED WHICH WOULD INCLUDE UNITED FRONT WITH BOTSWANA, LESOTHO,AND SWAZILAND, USE OF LEVERAGE OF CAPE ROUTE AND BUNKERING FACILITIES,AND REVIVAL OF OUTWARD-LOOKING FOREIGN POLICY ("NEVER HAS SA BEEN IN GREATER NEED OF FRIENDS AND INFLUENCE IN THE WORLD THAN NOW.")

2. PRETORIA NEWS (AFTERNOON PRESS) REPORTED THAT FOLLOWING MEETING OF SPECIAL CABINET COMMITTEE ON FUEL IN AFTERNOON OF NOV 29, PRIME MINISTER ISSUED STATEMENT ACKNOWLEDGING THAT FUEL SUPPLY SITUATION NOW RPT NOW SERIOUS BUT EMPHASIZING THAT THERE NO RPT NO CRISES AND NO RPT NO REASON FOR PANIC.HE EXPRESSED APPRECIATION FOR PUBLIC COOPERATION IN EARLIER FUEL CONSERVATION MEASURES. PRIME MINISTER SCHEDULED TO MAKE RADIO ADDRESS TO NATION EARLY NEXT WEEK ON OIL SUPPLY AND CONSUMPTION AT WHICH IT ANTICIPATED HE WILL ANNOUNCE NEW CONTROLS.

3. PRETORIA NEWS EDITORIAL MORE PESSIMISTIC ON IMPACT OF ARAB OIL BOYCOTT ("EVEN A BOYCOTT THAT IS ONLY PARTIALLY SUCCESSFUL WOULD HIT US HARD") AND CALLS ON PRIMEMINISTER TO STRESS SERIOUSNESS OF SITUATION AND NEED FOR WHOLE-HEARTED SUPPORT AND COOPERATION IN HIS FORTHCOMING STATEMENT.EDITORIAL NOTES THAT BOYCOTT OF SA NOT RPT NOT LINKED WITH MID-EAST SETTLEMENT BUT IN RESPONSE TO OAU PRESSURE AND THUS LIKELY TO LAST FOR LONG TIME. IT MINIMIZES POSSIBILITY OF ASSISTANCE FROM WEST IN OPPOSING BOYCOTT ("THE WEST AS A WHOLE NEEDS ARAB OIL EVEN MORE THAN WE DO,WILL NOT LIGHTLY ANTAGONIZE THE ARABS TO AID US,AND WILL NOT ITSELF BE FREE OF DEPENDENCE ON ARAB OIL FOR YEARS TO COME")

4. ALTHOUGH GOVERNMENT HAS REMAINED SILENT ON STATISTICAL PICTURE, PRESS CONTINUES TO REPORT VARIOUS FIGURES.RDM QUOTING SOURCES IN DURBAN GIVES FOLLOWING STATISTICS ON ANNUAL OIL IMPORTS (IN MILLION BARRELS): IRAN - 37.8 SAUDI ARABIA - 23.9, IRAQ - 18.3 AND SMALL UNCLASSIFIED

UNCLASSIFIED

PAGE 03 PRETOR 04382 301805Z

GULF STATES - 20.0. SASOL-OIL-FROM-COAL PRODUCTION REPORTED AT 12,000 BARRELS OF PETROLEUM PRODUCTS PER DAY.PN ESTIMATES ANNUAL MOTOR SPIRIT AND OTHER PRODUCT REQUIREMENTS OF 6687.5 MILLION LITRES OF WHICH ONLY EIGHT PERCENT SUPPLIED BY LOCAL INDEPENDENT SOURCES (SASOL). TOTAL CRUDE OIL REQUIREMENTS SAID TO BE 9 MILLION TONS A YEAR AGAINST IMPORTS OF 12.5 MILLION TONS WITH SURPLUS STORED AT RATE OF 3.5 MILLION TONS PER YEAR ."THESE RESERVES SHOULD GIVE SA ENOUGH TO TIDE HER OVER A TWO-YEAR PERIOD."

5. ALTHOUGH SPECIFIC FIGURES NOT RPT NOT AVAILABLE,GENERAL ASSESSMENT IS THAT FUEL CONSERVATION MEASURES REPORTED REFTEL HAVE RESULTED IN SIGNIFICANT REDUCTION IN CONSUMPTION OF MOTOR FUEL.SOME ESTIMATES RANGE AS HIGH AS 15 PERCENT.NEVERTHLESS, ALL PAPERS NOW ASSUMING THAT RATIONING IS INEVITABLE AS RESULT OF ANNOUNCED ARAB BOYCOTT AND THAT RATIONING WILL BE MORE SEVERE THAN ORIGINALLY ANTICIPATED.IT ALSO REPORTED THAT ADDITIONAL IRANIAN SUPPLIES UNLIKELY IN VIEW OF DEMAND FROM OTHER COUNTRIES AND THAT RESERVES WILL NOT RPT NOT BE USED TO MAKE RATION ALLOWANCES LARGER.

6. PRESS ALSO REPORTING DECISION BY OAU THAT BOTSWANA,LESOTHO, AND SWAZILAND WOULD SIMPLY HAVE TO SUFFER "IN THE CAUSE OF AFRICAN UNITY AND THE CAMPAIGN AGAINST WHITE SOUTH AFRICA."REPORTEDLY, MINISTERS OF THE THREE COUNTRIES HAD TALKS WITH SAG OFFICLAS ON NOV 27-28 AND IT ASSUMED THAT OIL BOYCOTT WAS MAJOR SUBJECT.
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